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BUREAU OF EMPLOYMENT SECURITY
Division of Economic Analysis and Research

LABOR MARKET DIGEST

December 1990

The Labor Market Information Newsletter on Maine Economic Activity

Year-End Nonfarm Employment Review

Nonfarm wage and salary employment declined in Maine during 1990 after several consecutive years of job gains. Between 1983 and 1989 there was an average gain of almost 20,000 nonfarm jobs each year. As a result, Maine's unemployment rate dropped from 9.0 percent in 1983 to 4.1 percent in 1989. The state's rank in per capita personal income rose from 39th in 1983 to 26th in 1989.

A region-wide slowdown in economic activity became apparent in 1990 after several years of exceptional employment growth, particularly in construction, services, and retail trade. In the fall of 1990 the national economy faltered, exacerbating the economic slump in Maine. As the graph on page six illustrates, over-the-year losses in Maine nonfarm employment became more substantial as the year wore on.

Nonfarm Wage and Salary Employment

Nonfarm employment in Maine declined from an average of 541,800 in 1989 to 536,900 in 1990, for a net loss of 4,900 jobs. Goods-producing industries recorded most of the employment losses.

Goods-Producing Industries

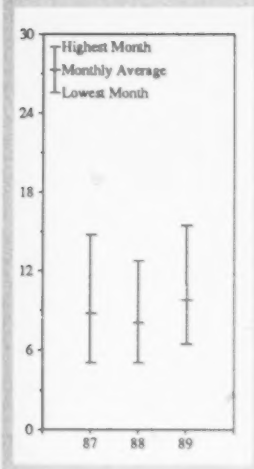
Employment in the goods-producing industries fell by an average of 7,400 between 1989 and 1990, declining from 138,300 to 130,900.

Construction. Employment in the construction division dropped from 32,700 in 1989 to 28,600 in 1990. This loss of 4,100 jobs follows a decline of 600 between 1988 and 1989. During the building boom from 1983 to 1988, employment in construction increased by an average of 3,400 per year. However, overbuilding left a surplus of housing units and office space, particularly in southern Maine. The result was a reversal of fortune for the construction division beginning in the latter part of 1989. During 1990 employment losses were spread among all industries within the division, with building construction off 1,800, special trade contractors down 1,700, and heavy construction other than building construction losing 600.

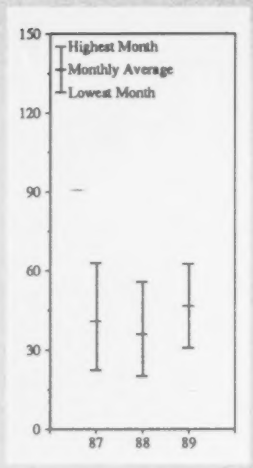
Manufacturing. Between 1989 and 1990 the number of manufacturing jobs fell by 3,400. Durable goods manufacturing employment fell by 2,000, with the largest decline recorded by lumber and wood products. This industry lost 1,100 jobs, primarily as a result of the housing slump. The electrical and electronic equipment industry provided 800 fewer jobs in 1990, due in part to defense cutbacks and overseas competition.

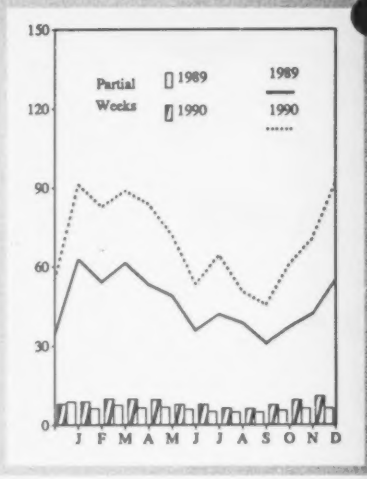
Among nondurable goods manufacturers, only the food and kindred products industry added a significant number of jobs. Above-average harvests of blueberries and potatoes contributed to an increase

UI Initial Claims
In Thousands



UI Intrastate Weeks Claimed
In Thousands





of 300 jobs in this industry. The leather and leather products and textile mill products industries continued a long-term pattern of decline with job losses of 900 and 400, respectively. Rubber and miscellaneous plastics products employment declined by 300.

Service-Producing Industries

Employment in the service-producing sector grew by 2,500, from 403,500 in 1989 to 406,000 in 1990. Small employment gains in most of the industry divisions were partially offset by losses in retail trade and real estate. The share of nonfarm jobs in the service-producing sector reached 76 percent, the highest level ever.

Retail trade. Employment in retail trade declined by 2,300 from 1989 to 1990 as economic activity slowed and consumer confidence waned. Eating and drinking places recorded an employment decline of 900. Job losses were also recorded in building material and hardware stores, down 400; food stores, down 300; and home furniture, furnishings, and equipment stores, down 300. Most of the other retail trade industries recorded smaller losses, with the exception of general merchandise stores which registered a slight employment gain between 1989 and 1990.

Wholesale trade. Employment in the wholesale trade division declined by 800. Most of the job losses were concentrated among wholesalers of durable goods, where 1,000 jobs were lost. Wholesalers of nondurable goods added 200 jobs to their payrolls.

Finance, insurance, and real estate. In the finance, insurance, and real estate division job losses totalled 300. The ripple effects of the downturn in the construction industry resulted in the loss of 400 jobs in real estate and 100 jobs in banking. The insurance industry recorded a small employment increase.

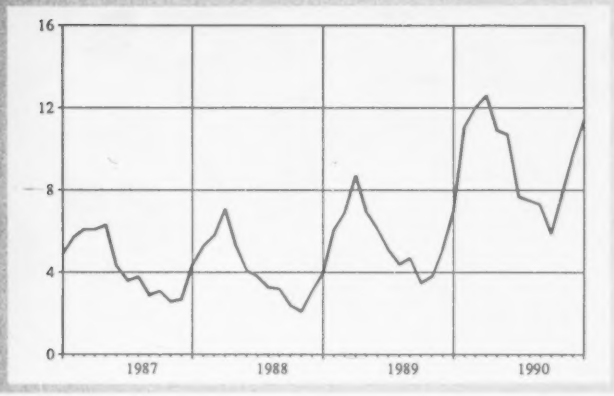
Services. Most industries within the services division recorded employment gains, contributing to an increase of 4,300 services jobs. Total services employment rose from an average of 124,500 in 1989 to 128,800 in 1990. The business services and health services industries continued the trend of recent years with increases of 1,500 and 900 jobs, respectively. Social services; motion pictures and recreational services; and engineering, accounting, research, and management related services also recorded over-the-year employment gains.

Government. Employment in the public sector increased by 1,400 during 1990. Most of this gain was at the local level where employment in education increased by 1,100.

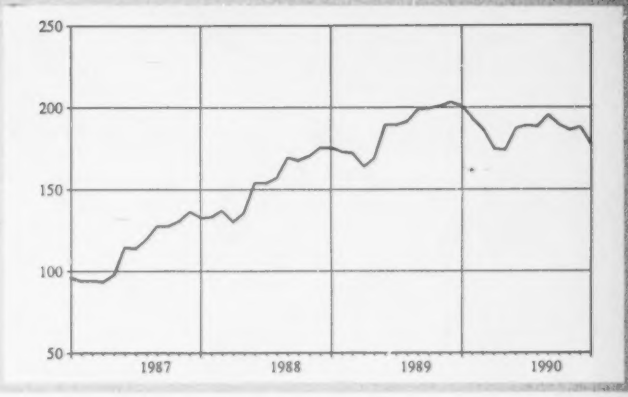
Employment estimates used in this article, and for the graph on page six, are revised for 1990 and finalized for 1989 as a result of annual benchmark revisions.

Selected Employment Security Activities

U I Benefit Payments
In Millions
(Total Includes Maine's Portion of Extended Benefits)



Unemployment Compensation Fund Balance In Millions
(End of Month)



Earnings and Workweek of Production Workers in Manufacturing Industries

AREA AND INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS			ANNUAL AVERAGE HOURLY EARNINGS		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	1987	1988	1989
STATEWIDE												
Manufacturing	$441.16	$433.13	$414.10	41.0	39.7	41.0	$10.76	$10.91	$10.10	$8.77	$9.31	$9.89
Durable Goods	426.96	411.48	411.93	41.9	40.5	41.4	10.19	10.16	9.95	8.32	9.00	9.59
Lumber and Wood Products	374.74	372.30	370.87	41.0	40.6	41.3	9.14	9.17	8.98	7.82	8.60	8.85
Primary and Fabricated Metals	439.78	416.36	413.69	43.2	40.7	43.5	10.18	10.23	9.51	8.94	8.79	9.31
Industrial Machinery and Equipment	492.06	474.66	536.17	41.7	40.5	45.4	11.80	11.72	11.81	9.20	9.49	11.03
Electronic and Other Electric Equipment	373.80	350.84	356.64	39.1	35.8	37.9	9.56	9.80	9.41	8.03	8.51	9.02
Transportation Equipment	501.95	482.16	480.78	43.8	42.0	42.1	11.46	11.48	11.42	9.40	9.82	10.80
Other Durable Goods	358.64	346.66	331.33	42.9	44.5	42.1	8.36	7.79	7.87	7.01	7.43	7.80
Nondurable Goods	454.99	451.24	415.34	40.3	38.9	40.6	11.29	11.60	10.23	9.18	9.60	10.16
Food and Kindred Products	332.60	307.88	326.24	38.9	34.4	38.7	8.55	8.95	8.43	7.16	7.30	8.01
Textile Mill Products	344.04	340.75	336.36	38.7	36.6	39.9	8.89	9.31	8.43	7.35	7.66	8.22
Apparel and Other Textile Products	255.26	282.32	285.57	35.7	38.1	38.8	7.15	7.41	7.36	5.92	6.43	7.04
Paper and Allied Products	683.72	705.52	656.57	44.6	44.4	45.5	15.33	15.89	14.43	13.43	13.93	14.51
Leather and Leather Products	293.11	257.13	265.72	35.4	33.7	36.6	8.28	7.63	7.26	6.34	6.59	6.92
Other Nondurable Goods	393.41	392.50	370.75	40.6	38.9	39.4	9.69	10.09	9.41	8.28	8.62	9.10
PORTLAND MSA												
Manufacturing	415.51	401.25	430.61	39.8	37.5	40.7	10.44	10.70	10.58	9.13	9.58	10.53
LEWISTON-AUBURN MSA												
Manufacturing	363.08	370.18	335.05	38.3	38.4	36.9	9.48	9.64	9.08	7.40	8.08	8.50

Female Labor Force in Maine
In Thousands

ITEM[1/]	This Month	Last Month	Year Ago
Labor Force	304.3	295.8	291.7
Unemployment	18.7	16.8	8.4
(Percent)	6.1%	5.7%	2.9%
Resident Employed	285.6	279.1	283.3

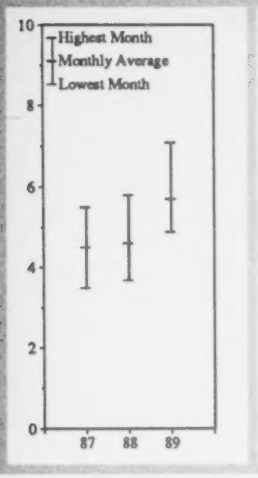
U.S. Consumer Price Index

BASE PERIOD (1982-1984 = 100) All Items (CPI-U)	This Month	Last Month	Year Ago	Last Dec.
	133.8	133.8	126.1	126.1

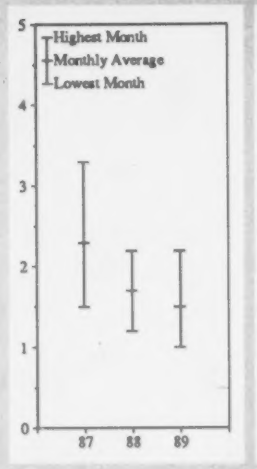
Percent Change for Past Month	0.0%
Percent Change from Last December	+6.1%
Percent Change from 12 Months Ago	+6.1%

1/ Current figures preliminary; last month and year ago figures revised.
Source: Female labor force estimates are developed by, and solely the responsibility of, the Maine Bureau of Employment Security.

New Applications For Work
In Thousands



Nonfarm Placements
In Thousands
(Excludes Placements of Less than Three Days Duration)



Nonfarm Wage and Salary Employment by Place of Work (In Thousands)

ITEM	STATEWIDE This Month	STATEWIDE Last Month	STATEWIDE Year Ago	PORTLAND MSA This Month	PORTLAND MSA Last Month	PORTLAND MSA Year Ago	LEWISTON-AUBURN MSA This Month	LEWISTON-AUBURN MSA Last Month	LEWISTON-AUBURN MSA Year Ago
Nonfarm Wage and Salary Employment 1/	526.8	530.6	551.6	131.4	132.3	137.3	39.7	40.3	42.9
Goods Producing	126.4	128.9	138.0	22.8	23.5	25.5	10.0	10.3	11.8
Construction and Mining	25.1	27.4	31.8	6.8	7.3	8.6	1.8	1.9	2.2
Building Construction	8.7	9.0	11.0	1.7	1.8	2.2	n/a	n/a	n/a
Special Trade Contractors	12.3	13.2	16.1	4.5	4.7	5.5	n/a	n/a	n/a
Manufacturing	101.3	101.5	106.2	16.0	16.2	16.9	8.2	8.4	9.6
Durable Goods	47.4	47.6	50.2	7.5	7.7	8.5	2.1	2.1	2.3
Lumber and Wood Products	11.7	11.6	12.2	n/a	n/a	n/a	n/a	n/a	n/a
Primary and Fabricated Metals	3.4	3.5	3.6	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Machinery and Equipment	5.0	5.0	5.1	2.1	2.2	2.2	n/a	n/a	n/a
Electronic and Other Electric Equipment	8.0	8.0	8.7	2.6	2.6	2.9	n/a	n/a	n/a
Transportation Equipment	14.9	14.9	15.4	(d)	(d)	(d)	n/a	n/a	n/a
Other Durable Goods 2/	4.4	4.6	5.2	2.8	2.9	3.4	n/a	n/a	n/a
Nondurable Goods	53.9	53.9	56.0	8.5	8.5	8.4	6.1	6.3	7.3
Food and Kindred Products	6.6	6.6	6.7	2.0	2.0	2.0	n/a	n/a	n/a
Textile Mill Products	5.6	5.4	5.7	(d)	(d)	(d)	n/a	n/a	n/a
Apparel and Other Textile Products	2.8	2.8	2.8	n/a	n/a	n/a	n/a	n/a	n/a
Paper and Allied Products	17.8	17.7	17.8	(d)	(d)	(d)	n/a	n/a	n/a
Printing and Publishing	5.7	5.7	5.9	1.6	1.6	1.6	n/a	n/a	n/a
Rubber and Miscellaneous Plastic Products	3.6	3.7	4.1	n/a	n/a	n/a	1.4	1.5	2.2
Leather and Leather Products	10.7	10.9	11.8	1.4	1.5	1.3	1.6	1.6	1.7
Footwear (except Rubber)	9.0	9.3	10.0	n/a	n/a	n/a	n/a	n/a	n/a
Other Nondurable Goods 3/	1.1	1.1	1.2	3.5	3.4	3.5	3.1	3.2	3.4
Service Producing	400.4	401.7	413.6	108.6	108.8	111.8	29.7	30.0	31.1
Transportation and Public Utilities	21.9	22.0	22.7	5.6	5.5	5.5	1.4	1.4	1.4
Wholesale Trade	24.8	25.0	25.8	9.8	9.7	10.2	2.1	2.3	2.3
Retail Trade	108.4	108.3	116.9	31.5	31.5	33.4	8.8	8.8	9.5
Food Stores	20.6	20.5	20.7	n/a	n/a	n/a	n/a	n/a	n/a
Eating and Drinking Places	29.2	30.5	33.2	8.1	8.2	8.9	n/a	n/a	n/a
Finance, Insurance and Real Estate	24.9	25.1	25.3	11.5	11.6	11.8	2.3	2.3	2.4
Banking	10.1	10.2	10.3	n/a	n/a	n/a	n/a	n/a	n/a
Insurance Carriers, Brokers and Agents	10.4	10.3	10.2	n/a	n/a	n/a	n/a	n/a	n/a
Services	122.5	123.1	123.4	34.0	34.3	34.3	10.7	10.8	11.1
Hotels and Other Lodging Places	6.6	7.2	8.2	n/a	n/a	n/a	n/a	n/a	n/a
Business Services	13.4	13.2	13.0	n/a	n/a	n/a	n/a	n/a	n/a
Health Services	44.1	44.0	43.7	n/a	n/a	n/a	n/a	n/a	n/a
Federal Government	18.7	18.8	19.8	2.0	2.0	2.1	0.3	0.3	0.3
State and Local Government 4/	79.2	79.4	79.7	14.2	14.2	14.5	4.1	4.1	4.1
Involved in Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1/ Employment figures relate to full- and part-time wage and salary workers in pay periods including the 12th of the month. Domestic workers in private households, proprietors, self-employed, and unpaid family workers are excluded. 2/ Includes Standard Industrial Classification (SIC) codes: Statewide - 25, 32, 38, 39; Portland - 24, 25, 32, 33, 34, 37, 38, 39. 3/ Includes SIC codes: Statewide - 28, 29; Portland - 20, 22, 23, 26, 30; Lewiston - 20, 22, 23, 26, 27. 4/ Regular teachers are included in summer months whether or not specifically paid in those months. n/a - data not available in sufficient detail for publication. * Less than 50. (d) Nondisclosure item. Source: Nonfarm wage and salary employment by place of work and earnings, and workweek of production workers in manufacturing industries are developed by the Maine Bureau of Employment Security in cooperation with the U.S. Bureau of Labor Statistics.

Labor Force, Employment and Unemployment

AREA 1/	LABOR FORCE 2/			RESIDENT EMPLOYED			UNEMPLOYMENT Number			UNEMPLOYMENT Percent of Labor Force		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago
MAINE-STATEWIDE (000)	637.6	627.8	621.0	595.4	585.9	593.3	42.3	41.8	27.8	6.6	6.7	4.5
MAJOR LABOR MARKETS												
Bangor MSA	48,200	47,300	45,800	45,700	44,800	44,300	2,600	2,500	1,500	5.3	5.4	3.3
Lewiston-Auburn MSA	43,200	42,800	43,400	39,400	38,900	41,000	3,900	3,900	2,400	8.9	9.1	5.6
Portland MSA	134,400	131,800	133,000	128,400	125,900	129,400	6,000	5,900	3,600	4.5	4.5	2.7
Portsmouth-Dover Rochester MSA 3/	135,100	133,300	135,500	128,000	125,900	130,800	7,100	7,500	4,800	5.2	5.6	3.5
OTHER LABOR MARKETS												
Augusta	38,700	37,870	36,720	36,520	35,970	35,490	2,180	1,910	1,230	5.6	5.0	3.3
Bath-Brunswick	31,060	30,350	30,830	29,660	29,090	29,970	1,400	1,260	860	4.5	4.2	2.8
Belfast	13,370	13,300	12,230	11,890	11,840	11,100	1,480	1,460	1,120	11.1	11.0	9.2
Biddeford	28,740	28,340	28,610	26,730	26,340	27,380	2,010	2,000	1,220	7.0	7.1	4.3
Boothbay Harbor-Wiscasset	16,080	16,460	14,720	15,300	15,650	14,270	780	810	450	4.8	4.9	3.1
Calais-Eastport	15,350	15,110	15,630	13,940	13,900	14,420	1,410	1,210	1,210	9.2	8.0	7.7
Caribou-Presque Isle	21,730	21,280	20,530	19,880	19,370	19,120	1,850	1,900	1,420	8.5	8.9	6.9
Central Penobscot	3,810	3,760	3,530	3,510	3,480	3,360	290	270	170	7.7	7.3	4.7
Dover-Foxcroft	7,430	7,260	7,030	6,890	6,740	6,610	530	520	420	7.2	7.2	6.0
Ellsworth	25,140	25,030	24,510	23,140	23,270	23,210	2,000	1,760	1,300	8.0	7.0	5.3
Farmington	13,770	13,290	13,540	12,850	12,290	12,990	930	1,000	550	6.7	7.5	4.0
Fort Kent-Allagash	5,710	5,590	5,570	5,270	5,120	5,240	440	480	330	7.7	8.5	6.0
Greenville	1,380	1,320	1,370	1,250	1,200	1,240	130	110	130	9.6	8.6	9.3
Houlton	6,820	6,650	6,470	6,430	6,300	6,140	390	350	330	5.8	5.3	5.1
Kittery-York 3/	28,570	27,990	29,130	27,480	26,900	28,420	1,090	1,090	710	3.8	3.9	2.4
Lincoln-Howland	5,660	5,500	5,340	5,190	5,040	4,980	470	460	360	8.4	8.3	6.7
Livermore Falls	5,000	5,040	4,870	4,570	4,540	4,570	430	500	310	8.5	9.8	6.3
Madawaska-Van Buren	4,080	3,920	3,820	3,640	3,510	3,480	440	420	340	10.7	10.6	8.8
Millinocket-East Millinocket	4,220	4,140	4,260	3,860	3,810	3,940	360	320	330	8.5	7.8	7.6
Norway-Paris	11,580	11,720	11,570	10,380	10,470	10,760	1,200	1,250	810	10.3	10.7	7.0
Patten-Island Falls	2,580	2,520	2,420	2,370	2,300	2,250	210	220	180	8.3	8.9	7.3
Rockland	19,490	19,370	18,730	18,130	17,680	17,550	1,360	1,690	1,180	7.0	8.7	6.3
Rumford	8,850	8,640	8,880	8,010	7,690	8,380	840	960	500	9.5	11.1	5.6
Sanford	16,860	16,890	16,330	15,430	15,330	15,350	1,430	1,560	980	8.5	9.2	6.0
Sebago Lakes Region	11,950	11,880	13,210	11,100	11,050	12,550	860	830	660	7.2	7.0	5.0
Skowhegan	24,040	23,590	22,230	21,790	21,410	20,790	2,260	2,180	1,450	9.4	9.2	6.5
Southwest Penobscot	11,970	11,920	11,030	10,700	10,520	10,280	1,260	1,390	750	10.5	11.7	6.8
Waterville	27,800	27,100	25,780	26,030	25,500	24,810	1,780	1,600	980	6.4	5.9	3.8
OTHER NEW ENGLAND STATES (000)												
Connecticut	n/a	1,778.3	1,757.1	n/a	1,694.1	1,686.4	n/a	84.2	70.7	n/a	4.7	4.0
Massachusetts	3,115.0	3,107.8	3,138.9	2,897.0	2,903.1	3,008.2	218.0	204.6	130.7	7.0	6.6	4.2
New Hampshire	637.8	627.3	623.3	597.5	584.7	598.0	40.3	42.7	25.3	6.3	6.8	4.1
Rhode Island	514.6	513.0	528.1	481.6	480.1	501.8	33.0	32.9	26.3	6.4	6.4	5.0
Vermont	306.8	305.8	307.2	286.3	287.5	295.1	20.5	18.3	12.1	6.7	6.0	3.9
NEW ENGLAND STATES (000)	n/a	6,960.0	6,975.6	n/a	6,535.4	6,682.8	n/a	424.5	292.9	n/a	6.1	4.2
UNITED STATES (000)	124,630	124,821	123,998	117,287	117,611	117,698	7,343	7,211	6,300	5.9	5.8	5.1

Footnotes

1/ Labor force, employment, and unemployment data for all areas are by place of residence and are not seasonally adjusted. Estimates made independently for each labor market area have been benchmarked to and extrapolated from the Current Population Survey estimates for the state. All data exclude members of the Armed Forces. Data are rounded for publishing purposes. Employment and unemployment may not add to labor force due to rounding. MSA - Metropolitan Statistical Area. n/a indicates that the information was not available at the time of printing.

2/ Current figures preliminary; last month and year ago figures revised.

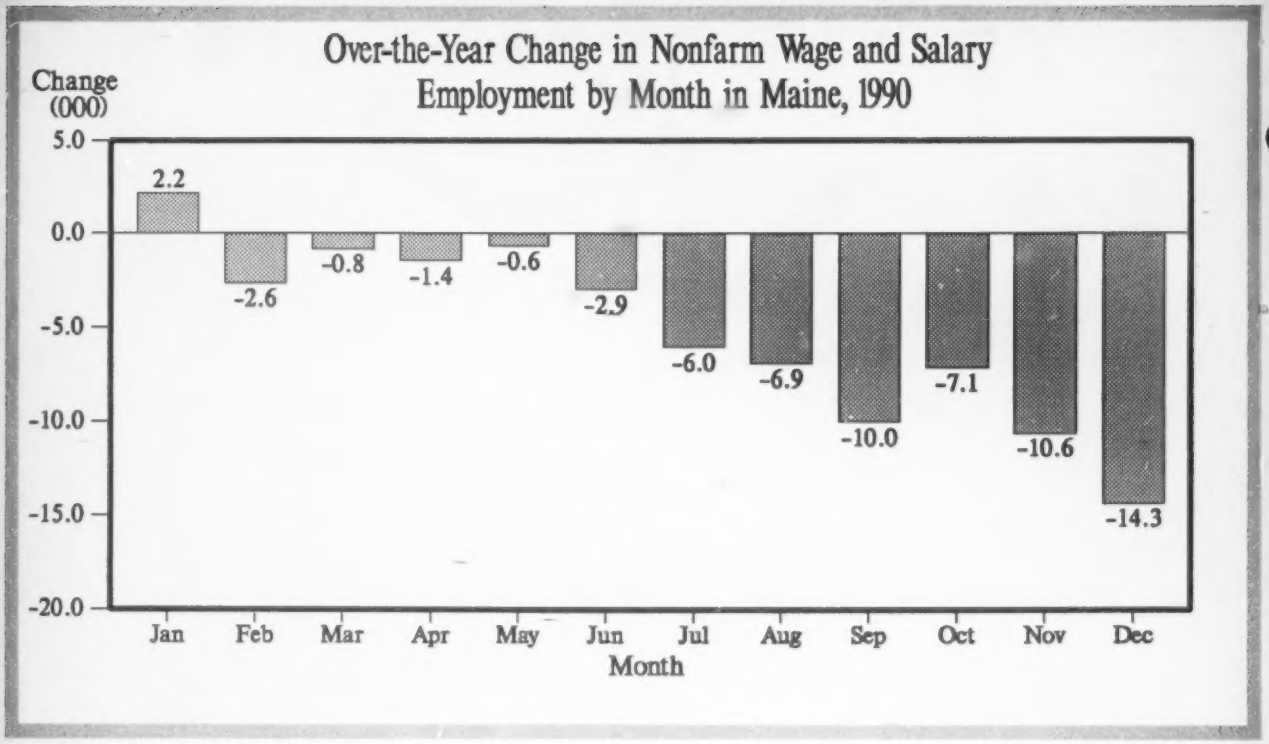
3/ Kittery-York is the eight-town Maine portion of the Portsmouth-Dover-Rochester MSA which includes towns in both Maine and New Hampshire.

Source: These data are developed by the Maine Bureau of Employment Security in cooperation with the U.S. Bureau of Labor Statistics.

Mid-Month Insured Unemployment

ITEM	STATEWIDE			PORTLAND MSA			LEWISTON-AUBURN MSA		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago
Number of continued-week claimants*	18,462	15,667	11,823	2,631	2,283	1,335	1,696	1,455	1,117

* Continued-week claimants are less partials for week including the 12th of the month.



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